

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Andhra Pradesh Beverages Corporation Limited – Procurement Policy for Beer for the year 2011-12 – Orders – issued.

REVENUE (EX-II) DEPARTMENT

G.O.Ms.No 1093 .

Dated:12 .07.2011

Read the following:

- 1) G.O.Ms.No.1158 Rev (Ex.II) Dept., Dt. 4.5.2010
- 2) M.D, APBCL Lr No APBCL/MM/BEER/2010 dt. 4.05.2010
- 3) G.O.Ms. 462 Rev (Ex.II) Dept dt. 19.05.2010
- 4) M.D., APBCL Lr . APBCL/I/2011-12 dt. 3.05.2011.
- 5) Govt. Letter No. 24789/Ex-II(2)/2010-3, Dt: 30.06.2011.

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ORDER:

In the G.O. first read above Government have envisaged uniform guidelines for procuring Beer. Clause-1 (vi) of the G.O., reads as follows:

"The Corporation shall give appropriate weightage to existing market shares of different tenderers as also the relativity of price quoted by different manufacturers while deciding upon the quantities of IMFL to be ordered by different suppliers".

2. In pursuance of the above, upto to the procurement year 2009-10 Purchase Orders were being issued by the APBCL to the Beer suppliers basing on an uniform formula i.e., for the first 45 days of the Rate Contract period basing on the request of the suppliers without any limitation and there after based on average sales of the preceding three months.

3. In the reference second read above the Managing Director, Andhra Pradesh Beverages Corporation Limited has pointed out that the Beer market in Andhra Pradesh has become duopolistic with its concomitant problems. He has also suggested a shift in Beer procurement policy to one basing on the market share statistics of various manufacturers in the national Beer market with a view to open opportunities for other manufacturers / suppliers to enter the A.P market leading to wider choice for the consumers and enhancement of competitive spirit.

4. Accordingly, Government, in the G.O. third read above issued orders directing the APBCL to base the Beer procurement during the 2010-11 procurement year on the ratio of actual sale volumes of Beer being supplied by various manufacturers to all the State owned Corporations (counter parts of Andhra Pradesh Beverages Corporation Limited) across India.

5. In the reference 5th read above Government have issued orders permitting the Andhra Pradesh Beverages Corporation Limited to extend the

existing Rate Contract Agreement for supply of Beer by two months from 01.07.2011 to 31.08.2011 on the existing terms and conditions.

6. An analysis of the Beer market during the year 2010-11 shows that while the share of the two major suppliers has come down from about 93 % to 88 % that for the smaller suppliers has increased from about 7% to about 12 %. It is also seen that no new supplier has entered the Andhra Pradesh Beer market in 2010-11. There has thus been only marginal success in achieving the objectives set out in the Beer procurement policy for the year 2010-11. Government have also received representations from some quarters stating that the consumer choices / preferences relating to Beer brands at the national level need not be imposed on the beer consumers of the State who have their own brand loyalties.

7. In the light of the above, the Government, after careful consideration, have decided to review its policy on the issue. On such review Government have decided to revert back to the pre-existing Beer procurement policy which was in vogue prior to the procurement year 2010-11 i.e., to base the procurement on the preferences exhibited by the Beer consumers at the State level. Government accordingly direct the Andhra Pradesh Beverages Corporation Limited to base the Beer procurement for the year 2011-12 (from 01.09.2011 to 30.06.2012) on the actual sale volumes of Beer supplied to it by various manufacturers / suppliers, as was the case prior to the procurement year 2010-11.

8. The Managing Director, Andhra Pradesh Beverages Corporation Limited, Hyderabad is requested to take further action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**ASUTOSH MISHRA,
PRINCIPAL SECRETARY TO GOVERNMENT**

To

Managing Director, Andhra Pradesh Beverages Corporation Limited,
Hyderabad

The Commissioner of Prohibition & Excise. A.P. Hyderabad.

Copy to:

The PS to Spl.Chief Secretary to CM.

The PS to Minister for Excise and Prohibition.

The PS to Principal Secretary to Government (AM)

SF/SCs

// FORWARDED:: BY ORDER//

SECTION OFFICER.